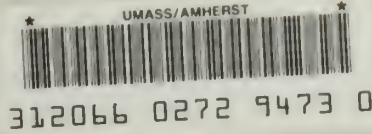


MASS. R1.18: 994



Commonwealth of Massachusetts

Department of Revenue

100 Cambridge Street

Boston, Massachusetts 02204

# FY94 Mission and Goals

GOVERNMENT DOCUMENTS  
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Mitchell Adams  
Commissioner



# Introduction

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The course DOR will set in Fiscal 1994 extends the vision we developed last year. It recognizes that for DOR to fulfill its mission in an era of globally, nationally and locally scarce resources we must continue our efforts to reengineer business processes and to pursue efficiencies, as we prepare for a future of tight budgets, added or increased mandates, and the need to keep up with our competition, the private sector institutions our customers compare us with.

Last year's downsizing and this year's budget successes have demonstrated our ability to participate — and prosper — in the new competitive reality. In Fiscal 1993, knowing where we were headed in the long run enabled the agency to understand its job and to do it extremely well in a difficult year that saw office closings, redeployments, and workforce reductions.

We were able to collect over \$500 million more in revenues while processing returns nearly 20% faster than last year. We generated \$660,000 per auditor in audit assessments, with total assessments surpassing Fiscal 1991 and 1992. We increased child support collections by 8.3%, the largest jump in three years while boosting the compliance rate for current support due to 61.4%, up from 57% in Fiscal 1992. We distributed \$2.3 billion in local aid to 351 cities and towns, while helping develop the financing provisions of education reform.

Equally to its credit, DOR was able to begin major new initiatives to realize the agency-wide vision that began to take shape in Fiscal 1993:

- Electronic filing of income tax returns
- Electronic funds transfer of income tax payroll withholding
- Automated bank levies on tax and child support scofflaws
- Bureau-based budgeting
- Skills inventory for future training plans.

This year's budget provides a level of resources that will both sustain services and allow us to pursue our central vision of doing more, better, faster, with less. Just as the profit motive dictates a similar vision for institutions in the private sector, our profession — public service — demands that when ways exist to do our job better and more efficiently using fewer resources, we pursue them aggressively in good or bad times.

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We know that budget dollars will continue to be scarce in the years ahead, as the state economy continues its slow emergence from the most severe recession in almost 50 years, and the rise in costs of health care, prisons, public education, and other priorities continues to outpace the expected rate of revenue growth. With this future looming, not only must we win greater compliance; we must do so at ever lower cost to the taxpayer.

That is why our strategy for Fiscal 1994 concentrates on innovative projects that hold the greatest promise of achieving our goal of staying on the cutting edge in future years. That is also why our strategy prizes teamwork and cooperation as the surest way to succeed. With this ambitious agenda and our collected energies and efforts, the Massachusetts Department of Revenue will be an exciting, challenging and professionally rewarding place to work in the months and years to come.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Adams', with a long horizontal flourish extending to the right.

Mitchell Adams  
Commissioner of Revenue

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# Our Mission

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The role in state government of the Department of Revenue remains constant from year to year, and a clear statement of our mission bears repeating. That is why we here republish the mission statement presented last year.

## ***The rule we work by***

DOR is dedicated to honestly, fairly and firmly winning compliance with the Commonwealth's tax, child support and municipal finance laws.

## ***A mission statement answers the most fundamental question about an organization: "Why does it exist?"***

DOR exists to ensure that people comply with the three sets of laws we are charged with administering. Winning compliance with Massachusetts' tax, child support and municipal finance laws is what each and every employee strives for on a daily basis. But what does it mean to "win" compliance?

When our actions serve to enable and encourage citizens to fulfill their obligations voluntarily, with minimal additional Departmental intervention, we have won their compliance. To win compliance, we rely on a variety of tools — ranging from answering questions to imposing criminal sanctions. The more success we have using the tools at the beginning of this range, the easier our jobs become. Of course, when we are not able to obtain voluntary compliance, we use increasingly stronger enforcement approaches. Whenever we obtain compliance through enforcement though, we still need to ask ourselves whether we have "won" the taxpayers' understanding of their obligations, so that they can comply in the future.

Who our customers are is perhaps the most important clue to the meaning of our mission. Knowing our customers well — having the sensitivity to their particular needs — helps us to win their compliance. Moreover, our record of service to our customers demonstrates that "winning" compliance is not a story about winners and losers, but instead is about generating results for them that DOR can be proud of.

## ***Who are our customers?***

Our most important customers are the citizens and businesses of the Commonwealth, because they depend on us to collect two-thirds of the revenue that funds Massachusetts government.

Thousands of children whose economic rights we protect are our customers; they depend on us to make sure they receive the financial support they are entitled to, promptly so that their most basic needs can be met.



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Cities and towns and their municipal officials are our customers; they depend on our guidance and our services to remain fiscally sound, so that *their* customers — local residents — can continue to receive education for their children, fire and police protection, and the other municipal services on which they rely.

***Paying attention to the varied needs of our customers***

Many of DOR's customers do not fit the traditional definition of "customers." These include millions of citizens and businesses who must fill out our forms and pay taxes, thousands of non-custodial parents whose child support obligations we enforce, and hundreds of municipal officials who must conduct their duties within our oversight. In their obligatory dealings with us, these customers are apt to feel somewhat ambivalent, if not downright reluctant, about receiving our services.

Yet for DOR to *win* compliance with the laws we must enforce, every one of us has to be sensitive to the particular needs of all the customers we deal with. How well we interact in our dealings with them affects their perceptions about the overall fairness and efficiency of the Department and the law — and determines our success in winning their compliance.

Finally, we must remember that frequently other DOR employees are our customers. All of the Divisions and smaller units within DOR are highly interdependent, and our success in serving external customers in the future will be more and more dependent on our ability to work as a team. We must therefore strive to examine, measure, and improve the level of service we provide to each other internally.



# Our Vision

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In five years, the Massachusetts Department of Revenue will be different, because its employees have chosen to make it so.

Compliance will be up substantially, yielding millions of dollars in new revenues that are due by law, while the costs borne by our customers — the citizens and businesses of the Commonwealth — will be down.

The Department will have fewer people, as the development of new business practices permits greater and greater efficiencies. Automated systems that today account for a very small percentage of our daily work will handle all but a small portion of the Department's business.

An "intelligent" phone system will answer most routine questions automatically, and connect callers with complex problems to a "one stop shopping" service representative. Customers who need to file a return, initiate a change in their child support agreement, or send in a required municipal financial report will be able to select the electronic alternative that is most convenient for them — whether it is picking up the phone, or logging on to their office or home computer, or walking up to an automated service kiosk at the local mall. The vast bulk of financial transactions with the Department, payment and refund, will be paperless too.

Interestingly, though, more employees will be assigned to tackling tough audit and enforcement cases, many in the course of providing "one-stop" customer service, mostly by telephone.

Because their jobs will be so different, employees will find themselves devoting a noticeable percentage of their time to training, skills development, and communication with work groups in other bureaus. Because so much will be going on, keeping abreast of what other Bureaus are doing and keeping everyone's work in synch will be on every day's to-do list. Naturally, the new jobs will bring new frustrations, but many of the old frustrations will have disappeared.

New technology will have helped bring these changes about. Just about every employee will have a PC on his or her desktop, bringing both a wealth of resources to employees' fingertips, and the ability to build new productivity tools directly and swiftly within the workplace.

More importantly, old barriers to communication and change will have fallen, less a result of changing technology than of changing attitudes. Employees in the new DOR will face fewer

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layers of bureaucracy and will be able to think in terms of turning good ideas into reality in a matter of days or weeks, rather than months or years. Not only will DOR employees be more cost-conscious and customer-aware, they will have much more flexibility to act on their proposals for improving the job we do.

From the outside, the differences will be noticeable too.

In tax administration, customers laboring over the old paper returns will be a rarity, because it will be so much more convenient to file electronically. It's hard to beat getting your refund deposited directly into your bank account in three days or less; especially when any delays in getting your payment in could trigger automated enforcement action with your bank or employer!

Of course, the basic mission of DOR will be unchanged: to win compliance with the tax, child support, and municipal finance laws of the Commonwealth. The tax laws will still be a chore to understand, the child support costs borne by non-custodial parents a noticeable weight, and municipal fiscal health a condition requiring constant attention. But every aspect of DOR's efforts to win voluntary compliance — and every customer contact — will be clear, convenient, and courteous.

Budgets will still be tight, but the significant belt-tightening that was required to afford new technology will be largely behind us, and the customer service improvements largely in place. For the past few years, the Department has spent much of its time playing catch-up with private companies, which have already acquired modern systems; the effort has paid off in widespread recognition of DOR's efforts, and in a growing reputation as an innovator in both customer service and revenue enforcement.

In order to realize this future, we must also have a specific vision of the kind of organization we must become, how our people will work together to succeed. DOR must become an agency that achieves gains in quality and efficiency continuously, because its people are ready and willing to question old ways of doing business and find, develop and try new ways of doing business. Taxpayers must not only get honest, fair and firm administration of the tax, child support and municipal finance laws, they must get good value for their revenue agency budget dollars.

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To realize this vision, DOR must become:

- An organization where highly skilled and trained people only do work that people alone can do. People will design ways for machines to do many tasks better and faster than a human being could, thus freeing up the employees to handle more and more of the tougher, less routine tasks.
- An organization of increased cooperation and communication. Employees and managers will reach out to combine their unique skills and experiences on major agency initiatives, or simply to exchange thoughts and ideas on how to make the place run better. Everybody must be willing to provide timely, constructive, 360 degree feedback.
- An organization where the Commissioner and every manager and supervisor are all committed to recognizing achievement and to rewarding it whenever possible.

# Our Goals

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## ***Doing the right things the right way***

Each day we invest time, money and effort in fulfilling our mission. To make sure that we invest our resources wisely, we must remain focused on our goals. We must remember that doing things right is not enough; we must first make sure that we are doing the right things.

## ***Doing new jobs well, rather than old jobs perfectly***

As we work to develop new ways of doing business, we could apply our limited resources to perfecting old ways of doing business. That would be the wrong choice for our customers; we must instead seize every opportunity to pick up the pace at which we bring the benefits of *new* ways of doing business to our customers.

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<b><i>Our Primary Goal</i></b>	Providing understandable, efficient, reliable and fair administration of the tax, child support and municipal finance laws of the Commonwealth is our primary goal. This encompasses many things.
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<b><i>Understandable</i></b>	We must provide our customers with the legal guidance and the information they need to fulfill their responsibilities.
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<b><i>Efficient</i></b>	We must nurture a competitive spirit throughout the agency and be open to new systems or processes, including increased automation and privatization, so that taxpayers are guaranteed the best and most service at the least cost.
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<b><i>Reliable</i></b>	We must make sure that our contact with customers is courteous, timely, accurate and professional. Citizens must be confident that our data is accurate and up-to-date. We must live up to the highest standards of ethical and professional behavior.
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<b><i>Fair</i></b>	We must interpret the laws intelligently and reasonably and enforce the laws evenly. We must provide our customers with adequate avenues for resolving disputes. We must pursue those who shirk their child support or tax responsibilities by using increasingly stricter enforcement tools.
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# Our Past Performance

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When FY93 began, we recognized twelve tough months ahead: a badly battered state economy, limited resources for government, and a substantially downsized DOR. We challenged each other not only to keep doing the job, but also to find ways to do the job better.

On budget and on time, we met that challenge.

We fulfilled our primary mission — collecting \$9.9 billion in taxes, bringing in 12% more in AFDC child support payments than the previous year, reviewing budget and tax rates in every Massachusetts community.

We followed through on our strategic objectives, leveraging information and computer resources to win ever greater levels of compliance and sharpening our organizational tools for future strategic action.

We demonstrated the power of teamwork, setting common goals and accomplishing them, investing in careful advance planning and seeing the plans through to reality, producing outstanding individual and team efforts, and joining together to innovate even as we struggled with difficult budget decisions.

## **DOR-Wide**

### ***Our Strategic Performance in FY93***

In FY93, we took some risks and made some significant gains in realizing our vision for DOR. We piloted or fully implemented new automation tools to win compliance: electronic filing and funds transfer, automated bank levies, and new hires reporting. As we worked to communicate better in daily tasks and in planning for the future, we also recognized the need for even more communication, better information, and expanded training.

We met or exceeded performance expectations for two-thirds of the thirty strategic objectives we set for FY93. As the year progressed, we discovered that some objectives had been defined too broadly or vaguely, and could not be accomplished, and we set aside some others so that more difficult or critical objectives could be realized. A few objectives were not achieved that should have been.

Performance on FY93 strategic objectives in each division is detailed below. Achievement is rated from objective fully realized (★★★) to objective not accomplished ( ).



**Tax  
Administration**

Electronic Filing Pilot	★★★	2,759 returns processed, with 4 day turnaround and problem return rate below 0.4%.
Electronic Funds Transfer Pilot	★★★	\$35.4 million collected from 16 participating companies.
Automated Collections	★★★	Bank levies on 14,500 delinquent taxpayers, \$4.7 million collected.
Bureau-Based Budgeting	★★★	All bureaus participated.
Core Curriculum Training for DOR Employees	★★	DOR-wide employee skills survey is the foundation for expanded FY94 training.
Automate Federal Change Audits	★★	Project expanded; programming will be completed in FY94.
Data Integrity	★	Addressed by individual bureaus.
Legal Issues Workplan	★	Legal staff improved its communications with other bureaus.
Revised Code of Conduct		Initially too broad. Refocused for FY94.

**Child Support  
Enforcement**

Report New Hires within 10 days using W-4 Form	★★★	First-in-nation program installed, expecting \$14.5 million increase in FY94.
Automate Wage Reattachment & Levies	★★★	Fully operational.
Quality Customer Service	★★★	New telephone service center with automated access to case data, 1 minute average response time.
Automate Bank Levies	★★★	9,800 levies issued, 10 times manual rate, almost \$5 million collected.

**Child Support  
Enforcement  
(continued)**

Internal Newsletter	★ ★ ★	Since debut of <i>CSE News</i> in Aug. 1992, 80 articles by 58 staff members.
Credit Clouding	★ ★ ★	44,000 referrals to credit bureaus in 7 months of operation.
Legislative Package	★ ★ ★	Comprehensive legislation filed in Nov. 1992, worth \$163M annually in new collections and savings.
Intercept Workers Compensation Payments	★ ★ ★	Quadrupling of collections from this source.
Computer System Progress in FY93	★ ★ ★	Contract awarded, development on schedule.
1995 Business Planning	★ ★	Initiated in FY93 and will continue in FY94.
Hospital Paternity Establishment		Deferred to FY94; comprehensive legislative package provides authority for mandatory program.
License/Revocation Suspension Program		Deferred to FY94.
Increased Use of Tax Data		Deferred to FY94.
Seizures		Resources devoted instead to highly successful "Ten Most Wanted" program.
Statistics of Income Report		Deferred indefinitely.



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**Local Services**

Early Budget Review/ Tax Approval	★★★	Pilot program underway in 33 communities.
Audit Information for Local Officials	★★★	Materials developed and made available.
In-House Seminars	★	Initiated with two seminars on education reform.
Local Government Information Clearinghouse	★	Expanded coverage in <i>City and Town</i> newsletter.
Expanded Financials Team Seminars and Budget Workshops		Deferred on budget grounds.
Models of Effective Financial Management		Deferred on budget grounds.

# Our Strategic Objectives

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## **Tax Administration**

### **Electronic Filing**

Expand electronic filing of income tax returns by practitioners, which was successfully piloted in Fiscal 1993, to all large tax preparers in Fiscal 1994. The Fiscal 1994 program will include the transmittal of as many as 150,000 1993 income tax returns (payment or refund) from up to six preapproved transmitters/tax preparers. Small tax preparers will be provided with the means to file electronically as well.

➡ *A successful expansion of income tax electronic filing will accept and process up to 150,000 or more 1993 returns, with an average turnaround time of 4 days or less, from both large transmitters/tax preparers and small tax preparers utilizing the preapproved direct transmission channels. Electronic filing will be marketed to preparers and taxpayers as a convenient, cost-effective filing method with the quickest refunds.*

Identify other tax types suitable for electronic filing and develop plans to bring these tax types on line. Using the FY94 income tax pilot as a model, we will evaluate other taxes for suitability for electronic filing and then expand this filing option, particularly for those tax types that are also candidates for electronic payment.

➡ *Other tax types such as the sales tax, for which periodic returns must be filed during the year, make up a large proportion of our transaction volume. The success of this initiative will depend upon the degree to which plans are developed for the maximum possible reliance on electronic filing for multiple tax types.*

Undertake a two-year project to introduce touch telephone filing of 1994 Form ABC income tax returns. Building on the IRS's highly successful experience with the TeleFile pilot project, the DOR program will maximize taxpayer participation by providing, to the greatest extent possible, a truly simple filing process and rapid refunds. The Fiscal 1994 work on this project will lay the necessary foundation for the introduction of telephone filing to a defined population of Form ABC filers in January 1995.

➡ *To attain the goal of providing electronic filing alternatives for all taxpayers, we must be willing to try non-traditional filing methods that use existing technology in novel ways or tap new technology not yet widely available. The IRS's Ohio TeleFile project has shown that telephone filing can open electronic filing to a taxpayer population that would not have used it otherwise, while reducing taxpayer burden, processing costs, and error rates.*

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### **Electronic Funds Transfer**

Expand electronic transmittal of income tax and child support withholding payments, successfully piloted in Fiscal 1993. All large corporate employers, payroll processors and banks will be invited to participate in the program; a date for future mandatory participation by this universe of payers will be announced in Fiscal 1994.

➡ *An expanded electronic funds transfer program will develop training, operating procedures and problem resolution strategies to successfully bring on line all large payers of income tax and child support withholding. A key indicator of a successful program will be a low rate of rejected transactions for experienced transmitters.*

Expand electronic payment to other tax types, building upon the successful Fiscal 1993 pilot program.

➡ *A successful expansion of electronic funds transfer to other tax types will evaluate their suitability for this payment form, recommend the priority order for expansion, and initiate electronic transfer on a pilot basis for at least one other major tax type in Fiscal 1994.*

### **Employee Resources**

Provide comprehensive training in four core competencies, in response to the needs identified in last year's DOR-wide employee skills inventory. Some new training in the core curriculum will be available by January 1994.

➡ *DOR's new technological emphasis challenges its employees to become better trained, more computer literate and eager to adapt to rapidly changing roles. That challenge can be met only if workers are provided with the resources and tools to improve their proficiency in a wide range of newly demanded skills. A successful training program will offer opportunities for all employees to attain new skills that they recognize as important for current and future effectiveness in their jobs.*

Develop and distribute to all employees, both in print and on-line, a new DOR telephone directory, a functional guide to DOR operations, and an employee handbook on basic administrative policies, such as leave and travel.

➡ *Up-to-date, accurate, readily available information about "who does what" is the glue that holds together a peak-performing organization. Without such information, time and energy are wasted, systematic errors go uncorrected, and customer service suffers. Success for*

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*this initiative will be measured by the rapidity with which useful information is put into the hands of every employee, by the frequency and quality of scheduled updates, and by positive employee evaluation of the ease of access and relevance of provided data.*

### **Automated Revenue Enforcement**

Complete automation of the process whereby information contained in "CP2000s" (tapes from the IRS containing changes to certain tax return line items resulting from IRS audits) is compared with the information provided on Massachusetts returns, then used to adjust those taxpayer accounts accordingly and generate Notices of Intention to Assess (NIAs).

➤ *Successful completion of this Fiscal 1993 project in the first quarter of Fiscal 1994 will be a key milestone for our automated revenue enforcement program, since it will free up audit and systems personnel who worked to devise this new automated process to work on other priority projects and activities.*

Establish an automated wage levy program for income tax liabilities using data from the Wage Reporting System. Criteria for the new levy must be defined and then translated into automated business rules.

➤ *As the automated bank levy showed last year, using existing financial data already available to the Department to target the resources of obligors who have resisted other collection efforts is a highly effective and low cost way to win compliance. DOR's envisioned program will be highly accurate in its identification of obligors and will incorporate effective measures for handling exceptional cases, such as abatement, payment agreements, hardship cases and unresolved correspondence.*

Conduct new matches using internal and external databases, as the next step in developing more capable automated systems to detect non-filers.

➤ *Failure to file is the most egregious threat to overall compliance, and often the most difficult evasion to detect. A successful non-filer wage match will institute routine procedures to utilize the economic data available from the wage reporting system to select audit and enforcement targets.*

### **Infrastructure Upgrades**

Modernize DOR telephone and telecommunications systems, drawing on the Fiscal 1993 strategic study. The upgrade, expected to take 18 to 30 months to complete, will replace



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outdated telephone sets, trunk lines and systems equipment and will tie together our major sites via a high speed telecommunications network.

➤ *While Taxpayer Assistance, Child Support Enforcement and a few other sites have modern basic telephone equipment, most of DOR relies on old technology and old infrastructure to meet its telecommunications needs. A successful upgrade will provide, with minimal disruption to daily operations, an orderly transition, timely training, and adequate support for continuing effective operation of the telecommunications system. The new system will provide the technical capacity to implement voice mail, automated call distribution, and integrated computer/telephone voice response for improved customer service.*

Commence development of a department-wide personal computer network to replace the existing system of "dumb terminals." Planning for the complete system, including new cabling, "servers" to support new office productivity software, and the ability to connect to existing mainframe systems, will be completed this Fall. Some PCs will be installed in every division in Fiscal 1994.

➤ *Rapid deployment of highly capable personal computer workstations throughout the organization will position DOR to make much more effective use of existing internal data and new external data to win greater compliance. A successfully implemented PC network will provide a common platform for our employees to develop new, more flexible compliance, customer support, and training tools, with less delay and lower cost.*

Evaluate and pilot a PC-based "Executive Information Service" capacity for DOR. The future Executive Information Service or "EIS" will provide timely, broad, user-friendly access — via the Department-wide PC network — to critical performance data. The EIS will be able to draw on all the disparate information resources of DOR — MASSTAX, ORACLE, Model II and its successor, locally maintained PC data, state systems such as PMIS and MMARS, external databases — to collect, organize and present clear and understandable views of Departmental performance.

➤ *A successful Fiscal 1994 EIS evaluation will analyze and specify the software and hardware requirements of the future Department-wide system, and will develop a Request for Proposals (RFP) for procurement and initial implementation of the new system in FY95. Ease of use, speed, compatibility, and low development requirements will be critical features of the specified system. A successful Fiscal 1994 EIS pilot will use DOR-standard PC office productivity software to gather, integrate and present selected performance data from tax administration, child support and local services.*

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### **Reengineer MASSTAX Functions**

Decentralize the address correction function in MASSTAX. An accurate taxpayer address is a crucial element in successful tax administration. Incorrect or untimely address correction erodes the effectiveness of automated noticing and billing, and results in costly delays for both DOR and the taxpayer as days and weeks are lost when mail is returned by the Post Office or employees resort to doing by hand what the automated systems cannot timely produce. Meanwhile, additional penalties and interest are often accumulating for the taxpayer. Providing a mechanism for employees who are working on taxpayer cases to update addresses on-line will save time and money.

➤ *A successful initiative will identify, and adequately account for, the varied uses of the taxpayer's address in MASSTAX, and will provide appropriate training and workable mechanisms to ensure data security and integrity. A key indicator of performance will be the elimination of longstanding user dissatisfaction with the percentage of incorrect addresses maintained in MASSTAX.*

Evaluate alternative approaches to address the potential need to rewrite how MASSTAX calculates penalties and interest. The MASSTAX penalties and interest module, which calculates the amount of additional penalty and interest that is owed by taxpayers for overdue payments, could be enhanced to provide more user-friendly information about amounts owed.

➤ *A successful evaluation will involve a task force of affected DOR users in identifying the future benefits and costs of alternative approaches to rewriting the penalties and interest module and in recommending an approach, and an appropriate mix of internal and external resources, that will permit the Department to proceed without delay to implement its strategic objectives for automated enforcement, paperless processing and one-stop shopping for its customers.*

Collect and key in additional information from corporate and sales tax returns. DOR's long term goal, best addressed by maximum participation in electronic filing, is 100% computerization of taxpayer return data. Since that goal will take some time to reach, we can significantly enhance automated audit selection by keying in additional items from corporate and sales tax returns.

➤ *New key entry procedures for selected items from corporate returns will be developed and implemented by October 1. In order to accommodate additional items on the sales tax return, this return will be expanded and redesigned. The new return will be implemented*

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*with taxpayers, and will begin to be key entered routinely in February, 1994. Meeting project completion dates will be a primary measure of success for this initiative.*

## **Child Support Enforcement**

### **Double AFDC Orders**

Establish 12,000 new AFDC Child Support Orders, as part of the FY94 goal to increase collections by 10%, yielding \$85 million for the year.

➡ *To attain the goal of doubling the number of new AFDC orders established, we will:*

- *work with the Welfare Department to improve the quality of information provided,*
- *enhance the lines of communication between local office CSE and Welfare staff through regular meetings,*
- *standardize the case processing routine from initial intake through the litigation process,*
- *continue to develop use of courts as blood testing sites to reduce delay associated with scheduling and reduce the number of "no shows", and*
- *work with other Divisions and Agencies to automate and standardize case processing, which would include matching of our pre-obligation caseload with wage reporting, tax information, vital statistics records, and the new hire file.*

### **Modifications**

Develop a systemic process to identify cases for review and adjustment to secure 4,700 upward modifications of current child support orders.

➡ *Federal law requires IV-D agencies to review all AFDC child support cases with current orders every three years for potential modification. In addition, the law requires IV-D agencies to review any case for potential modification at the request of either the custodial or non-custodial parent. To accomplish this, we must develop an automated process to sort through the current caseload and identify cases with the highest probability for modification.*

### **Contempts**

Implement a procedure for processing contempts including a rationale for bringing a contempt action in court for failure to pay all child support owed, after all appropriate administrative remedies have been exhausted.

Identify and file 1,400 "quality" contempts this year.

➡ *Successful implementation of this project will rely on systemic matches of our "non-payer" caseload against financial databases, especially those identifying sources of unearned*



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*income and obligors who are self-employed. Further, staff must be trained in developing facts to support attribution of income arguments.*

### **CSE University**

Develop the CSE University, which is comprised of educational programs designed to fulfill staff competency requirements on a technical and programmatic level and provide for professional development.

➡ *CSE's changing business process and new technological emphasis challenges employees to become adequately trained in new program requirements and computer skills. To meet this demand, the CSE "U" must:*

- *define a course of training specific to an individual's position within the division,*
- *develop training modules to support changes to daily operating procedures, and*
- *secure outside expert services for specialized curriculum on planning and delivery of training modules.*

### **New Hire Employer Compliance**

Work with ISO to develop a systemic process to determine whether the larger employers in the Commonwealth are filing their new hire information and if they are not, send non-compliance/reminder notices.

➡ *New Hire compliance information will aid in evaluating the success of the program and determining collection projections.*

### **Quality Assurance**

Establish a quality assurance unit with the Revenue Conduit Bureau to perform quality assurance reviews to test, evaluate and identify data integrity and quality issues; assist the data conversion process through sampling Model II data for reliability; perform reviews to determine operating problems and inefficiencies; and offer solutions.

➡ *This unit will coordinate their work with Internal Audit and they will serve as the liaison to external audit groups.*

### **Computer System Progress in FY94**

Continue work to develop and implement a state of the art, comprehensive, electronic data processing (EDP) system for child support enforcement that meets federal program requirements and deadlines.

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➡ *In FY94, we will procure and set up expanded mainframe computer capacity to support the new system, work intensively with the designated software consultant to install and modify the core software, complete the detailed systems design, and develop data conversion and training plans.*

## **Local Services**

### **Education reform**

In cooperation with the Department of Education, we will implement the complex municipal finance requirements of the recently-enacted education reform law. Successful implementation will include development of guidelines, forms, and procedures; modifications to the tax rate process; granting of waivers from minimum spending requirements; necessary adjustments to the Cherry Sheet and local aid distribution procedures; and an extensive informational program to explain the new law to municipal officials.

➡ *Education reform not only includes additional state aid to cities and towns but also significant requirements on local spending for education. In some communities, Prop. 2½ limits may dictate reduced spending in non-education areas to meet the new law's educational spending targets.*

### **Sewer rate relief**

Allocate and distribute \$30 million appropriated by the Legislature to the MWRA and other municipal wastewater collection and treatment systems. The process, to be undertaken in conjunction with the Department of Environmental Protection, will include development and distribution of program materials, and a review of completed applications to determine eligibility based on statutory requirements.

### **Tax rate pilot project**

Pilot test the new tax rate process in 33 cities and towns. Evaluate the results of the pilot test, and decide whether to expand implementation to other cities and towns in FY95.

➡ *By law the Department of Revenue must approve each municipality's property tax rates before tax bills can be issued, to ensure compliance with all statutory requirements. A Local Services task force recently re-engineered the tax rate process. One major change provides a review of the municipal budget much earlier in the year, to identify and resolve potential budget problems in a more timely manner.*

### **County finances**

We will continue to oversee county finances through the County Government Finance

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Review Board, and we will provide staff support to administration and legislative policy makers in their efforts to resolve this imminent crisis.

### **Schedule A revisions**

Re-design the Schedule A reporting process for implementation in early FY95. Revisions will reflect the revised uniform municipal accounting system (UMAS) chart of accounts, as well as increased reliance on electronic transmission of Schedule A's from municipalities to DOR.

➤ *The Schedule A is the annual report of municipal revenues and expenses submitted to DOR by every city and town. Schedule A data is one of the major components of the Division's municipal data bank, which is used by legislative and administration officials, the press, academics, and municipal officials themselves for analysis of a wide range of local aid and municipal finance issues.*

### **CAMA**

Undertake a business planning study of the Division's Computer-Assisted Mass Appraisal system. Based on the results of this study and a concurrent study being undertaken by the State Auditor, identify and implement appropriate changes to the CAMA program's business plan.

➤ *The CAMA computer system was developed by Local Services in the mid-1980's to enable municipal assessors to more efficiently value property and assess property taxes. A review of this program is being undertaken at this time because of changes in the intervening years in computer technology, municipal resources, and services available from the private sector.*

### **Pretax benefits**

Undertake an informational program to assist municipalities in adopting pre-tax and flexible benefit plans for their employees. We will provide information to municipal officials on how to set up a qualified plan; sample plan documents; and sample materials for distribution to employees.

➤ *This program was requested by the Legislature earlier this year. By taking advantage of favorable IRS provisions, pre-tax benefit plans can effectively boost employee take-home pay at little or no cost to the municipality.*

### **Corporation Book**

Publish a new, full edition of this complete listing of for-profit corporations doing business in

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Massachusetts. The Commissioner of Revenue is required by law to publish this book for use by municipal assessors.

➡ *The Corporation Book was last published in its entirety in 1986. Publication requires extensive cooperation among many DOR units, including Local Services, Forms Bureau, ISO, and AMC.*

### **Infrastructure**

We will be working with Facilities to complete the planning for the relocation of our Worcester and Springfield regional offices, both of which are now scheduled for FY95.

We will be working with ISO to study and plan for the possible conversion of our DEC office automation system to a PC-based network. Such a conversion would entail significant costs but also significant opportunities for productivity increases. Actual implementation would not occur until FY95 at the earliest.



